Office of the Under Secretary of Defense

Comptroller & Transportation Policy

October 14, 2010

TWCF CUSTOMER OUTREACH FORUM (T-COF)

Richard Allen
OSD(C)

Tim McNulty
OSD(TP)

Agenda

- Purpose
- Recap of Action Items from Dec 09 Meeting
- New Business
  - DEAMS Component Billing System (DCBS)
  - FDT/SDT Definitions
  - Forward Stocking in Afghanistan Update
  - Financial Billing Mode Codes (FBMC)
  - TAC Edits
- Service Specific Discussion
  - Army
  - Navy
  - HQMC
  - USAF

Purpose

The Transportation Working Capital Fund (TWCF) Customer Outreach Forum (T-COF) provides a forum in which the Services, Agencies, USTC, and OSD can meet to discuss the issues, processes, and procedures associated with DoD transportation finance; as well as airing questions/concerns that Service transportation financial managers have.

- The desired outcome from T-COF meetings is a more educated community and an improved fiscal management capability in the DoD transportation arena.
- The customer outreach forum was recommended in the Freight Transportation Forecasting, Budgeting, and Transportation Working Capital Fund Study of February 2008.
  - Study can be found at: http://www.acq.osd.mil/log/tp/finance_int.html
- The last T-COF meeting was held December 10, 2009.

Action Items from December 10, 2009

1. (DLA). Determine if SSAM is needed and provide feedback to T-COF. *Due February 5, 2010*.
   - DLA does not need TAC SSAM. **Completed**

2. (USTC). Provide an update on efforts to improve the billing process. *Due February 19, 2010*.
   - USTC Briefings provided briefings during Dec 09 T-COF. Additional briefings available to future T-COF Meetings. **Completed**

3. (USTC). Provide an update on the progress of the TWCF Bill Dispute Resolution Process Tiger Team. *Due February 26, 2010.*
   - Pertains to Lean Six Sigma Continuous Process Improvement Project. **Status?**

Action Items from December 10, 2009

4. (USTC). Provide an update on the progress of the pilot test with Coast Guard that evaluates charging non-DoD agencies the DoD cargo rate. *Due March 26, 2010.*
   - Candidate did not meet criteria of legislation. **Completed**

5. (USTC). Research the issue of duplicate charges on AMC bills and provide feedback to T-COF. *Due February 5, 2010.*
   - Pre-dispute functionality scheduled to be in place Sep 10. **Status?**

6. (MC/USTC). Coordinate to determine shortfalls in intra-theater transportation funding responsibilities and provide feedback and recommendations to the T-COF. *Due February 19, 2010.*
   - Working intra-theater DLA shipped items. **Status?**

Action Items from December 10, 2009

7. (USTC). Develop and provide to the T-COF draft update recommendation for the DoDFMR delineating responsibilities for intra-theater transportation funding. *Due March 5, 2010.*
   - DoDFMR adequately outlines funding responsibilities. **Completed**

8. (DLA). Confirm status of forward stocking Afghanistan and provide update to the T-COF. *Due February 5, 2010.*
   - HQMC will brief in today's meeting. **In Progress**

9. (OSD/TP). Provide info on the Intra-Theater Sealift Working Group (ITSWG) to T-COF membership when available.
   - List of ITSWG POCs available. **Completed**

Action Items from December 10, 2009

10. (USTC). Provide a list of systems that would be impacted by a change to the AMC DIM weight billing methodology. *Due March 19, 2010.*
    - Listing of systems impacted available. **Completed**

11. (USTC/DLA). Provide your respective AMC DIM weight billing methodologies to the T-COF membership for comparison and discussion. *Due March 26, 2010.*
    - USTC methodology provided; does not recommend changing methodology. **Status?**

12. (DSCA/USTC). Provide to the T-COF membership details on the $30M in unpaid FMS transportation bills and recommendations on how to avoid
    - SDDC issued Customer Advisory clarifying DTR requirements to construct TCNs. **Completed**

Action Items from December 10, 2009

13. (DSCA/USTC). Provide recommendations on how to identify FMS shipment data errors and send back to DCMA or DLA for correction before billing occurs. *Due February 19, 2010.*
    - USTC Billing Center has provided manifest information to show correct TCNs to comply with business rule. **Completed**

14. (DLA). Develop verbiage to re-engineer how the FBMC is used in FACTS and throughout the transportation financial process and provide to Navy T-COF rep. (Navy rep will then present DLA's recommendation to the FACTS CMB for consideration/vote.) *Due date in conjunction with the next scheduled FACTS CMB meeting.*
    - Reconsideration of issue. **Status?**

Action Items from December 10, 2009

15. (MC). If still unresolved by the next T-COF meeting, present DLA TAC assignment issues to the T-COF membership for discussion and resolution.

- MOA has been signed; dramatic improvement for 1st Qtr. **Completed**

New Business Agenda Topics

- DEAMS Component Billing System (DCBS) Status
- First Destination Transportation (FDT)/Second Destination Transportation (SDT) Definitions
- Forward Stocking in Afghanistan
- Financial Billing Mode Codes (FBMC)
- TAC Edits

Service Specific Discussion

- Army
- Navy
- HQMC
- USAF

Questions, Comments, or Complaints

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  - **Email: Timothy.McNulty@osd.mil**

Supporting the Warfighter is our only Business

T-COF

DCBS Status Update

14 October 2010

Agenda

- DCBS Description
- Current DCBS Status
- Future DCBS Customer Service Initiatives

DCBS Description

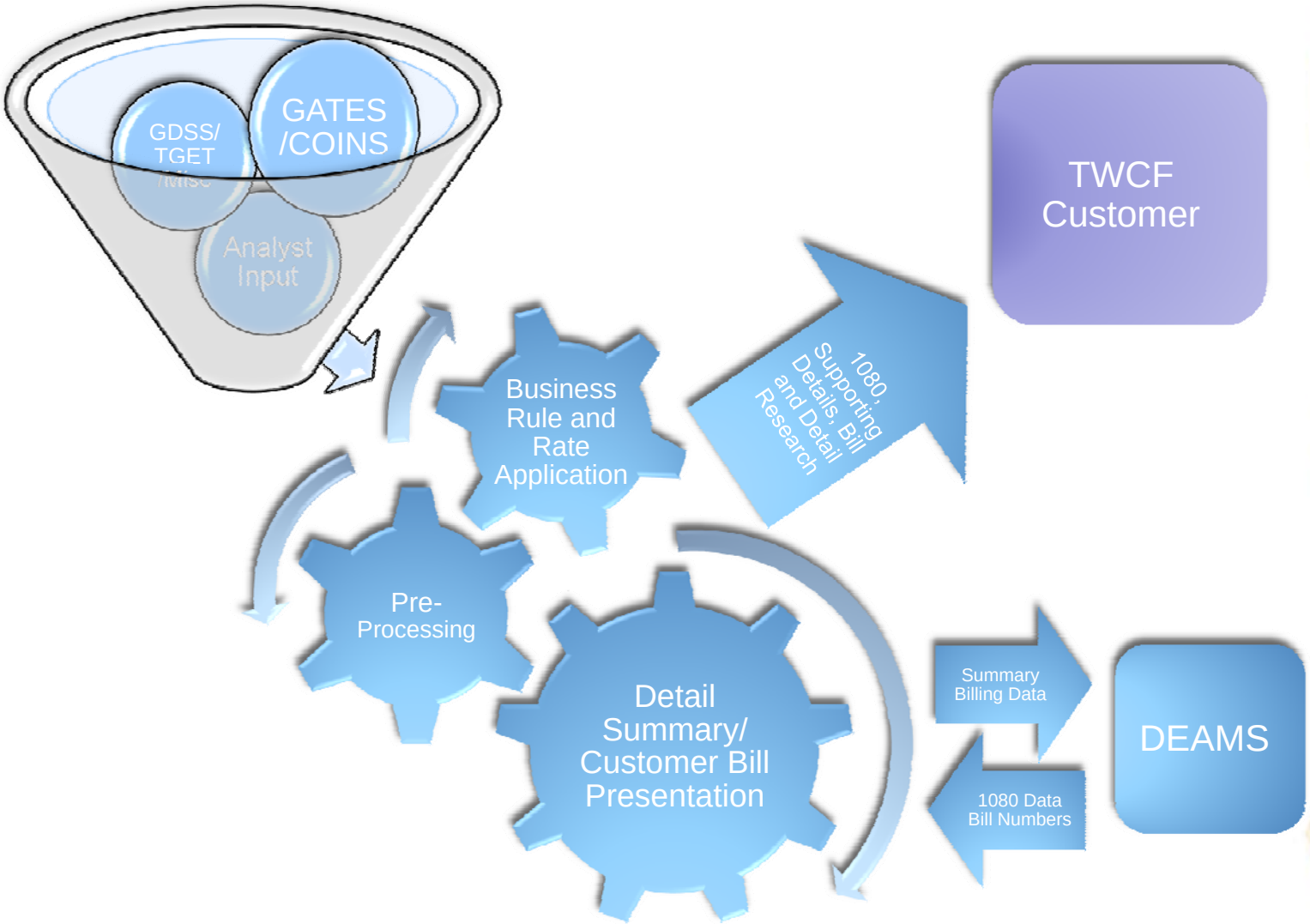
- DCBS = DEAMS Component Billing System
- DCBS is the Billing Module for the DEAMS Accounting System
- DCBS Consolidates Various Transportation System Feeds and Analyst Input for Summary Level Billing with DEAMS
- DCBS Provides Detail Level TWCF Billing Data to the USTRANSCOM Customer

DCBS
DEAMS Component Billing System

Current DCBS Status

- DCBS is Live
- Conversion to DEAMS - Chronology
  - May – July, Processed Manual Bills
  - Aug – Sept, Semi-Automated Bill Run
  - Jun – Sept, Resolved Multiple DEAMS Billing Issues
- 1080 and Detail Statements of Charges are Available from DFAS-LI and AMC
- DCBS Customer Access to Begin w/October Bill Pending Resolution of a DEAMS Outbound Issue

DCBS Description



DCBS Live Screenshots – Welcome Screen

DCBS Application - Internet Explorer provided by USAF

https://dcbs-prod.scott.af.mil/

DCBS Application

DCBS DEAMS Component Billing System

Home

Welcome to DCBS, JOE MITTERE
(SYSTEMS PERSONNE

Legacy | Profile | Customer Profile

Site menu | Home | Billing | Dashboard | Trans Support | Rule Maintenance | Data Mgmt | System Mgmt | Query

System

YOU ARE LOGGED IN TO DCBS-PROD. NOTE: DCBS IS UNDERGOING DATA CONVERSION, SYSTEM RESPONSE TIME MAY BE SLOWER THAN NORMAL.

Maintenance

DAILY CODE PUSH AT 1630 - 1700 CENTRAL TIME THROUGH INITIAL DEAMS

Welcome

WELCOME TO DCBS!

THE DEAMS COMPONENT BILLING SYSTEM (DCBS) REPRESENTS THE END
A FULLY FUNCTIONING BILLING MODULE CAPABLE OF TRANSFORMING RAW
(TWCF) REVENUE. DCBS PROVIDES A COMPREHENSIVE TECHNICIAN, ANAL
THE PROCESSING AND MANAGEMENT OF TWCF BILLING. THE MODULE YOU
WITH EXTENSIVE INTERNAL REFINEMENTS OVER PREVIOUS BILLING MODU

THE DCBS TEAM HAS PUT HEART AND SOUL INTO THE DEVELOPMENT AND
AND TIME OUR CUSTOMERS WILL FIND IT TO BE USEFUL, RESPONSIVE, AC
LINE DISPUTE RESOLUTION AND TAC CODE NOTIFICATION WILL BE ADDED
AMC.FMFN@AMC.AF.MIL H ANY ISSUES, QUESTIONS, OR SUGGESTIONS

THANK YOU,
THE DCBS TEAM

DCBS Home Page
- CAC Enabled Access
- Role Based Privileges

Customer Notifications
- System Information
- Maintenance Warnings
- Welcome Note

DCBS Application - Windows Internet Explorer

https://dcbs-prod.scott.af.mil/

Favorites | Free Hotmail

DCBS Application

DCBS DEAMS Component Billing System

BS, MATT NETEMEYER
(CUSTOMER)

er Profile | Logout

Site menu | Home

Billing Menu | View Bills

My Profile

*Prefix/Rank: CIV *First: MATT
MI: A *Last: NETEMEY

Organization | Customer

*Organization: FM
*Address 1: AMC
Address 2:
Province:
*City: SCOTT AFB *State: IL *Zip: 62225 *Ctry: US

Primary: *Phone: 618-229-2336 Dsn: Fax: *Email: MATT.NETEMEYER@SCOTT.AF.MIL

Secondary: Phone: Dsn: Fax: Email:

Email Preferences
- Request Bill
- Request Draft Bill Notification
- Email Type Pref 2

Save

Disclaimer - For Official Use Only - Privacy Act of 1974 - DCBS v4.0 (build 100331.0908) - *Denotes Required Field

Set as Default Page

userProfile.cfm

Trusted sites | Protected Mode: Off

100%

Profile Maintenance
- Customer Can Edit Contact Info/Sign Up for E-mail Bills & Notices

DCBS Live Screenshots – View Bills

DCBS Application - Windows Internet Explorer

https://dcbs-prod.scott.af.mil/

DCBS DEAMS Component Billing System

View Bills
Bill #0203291

Welcome to DCBS, MATT NETEMEYER (CUSTOMER)

Profile | Customer Profile | Logout

Site menu Home

Billing Menu View Bills

General Bill Information | Detail View | Collections | Adjustments | Pending Adjustments | Download Bill

Customer Name:	DFAS-IN MIL PAY	Customer Code:	2121200
Date Billed:	26-APR-2010	As of Date:	15-APR-2010
Amount Billed:	$4,451,472.00	Balance:	$0.00
Total Adjustments:	$0.00	Total Refunds:	$0.00
Total Collections:	$4,451,472.00		

Billed By:	Billed To:
DFAS-LIMESTONE 27 ARKANSAS ROAD SUITE #600 LIMESTONE, ME 04751-6216	DIRECTOR ATTN DFAS 8899 EAST INDIANAPO

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Done

General Bill Information
- Amount Billed
- Amount Collected
- Customer Address

DCBS Application - Windows Internet Explorer

https://dcbs-prod.scott.af.mil/

DCBS DEAMS Component Billing System

View Bills
Bill #0203291

Welcome to DCBS, MATT NETEMEYER (CUSTOMER)

Profile | Customer Profile | Logout

Site menu Home

Billing Menu View Bills

General Bill Information | Detail View | Collections | Adjustments | Pending Adjustments | Download Bill

Cargo (2363)

CP	ILIN	TAC	TCN	PC	Service Date	Consignor	Consignee	APOE	APOD	Wt	Vol	Rate	Manifest Data						
	68	CAA0	A0021654070112JXX	9GD	11-FEB-2010	W33FRS	W81LYE	SUU	OSN	726	90	2.977	CSUU201001038	J	A	*	Z	2	
	67	CAA0	A0026553735635JXX	880	16-FEB-2010	Z47500	W81LYE	SUU	OSN	1,000	112	2.977	CSUU201001069	J	A	*	Z	2	
	66	CAA0	A0039000009430JXX	9GJ	03-MAR-2010	FY7396	W91QTH	WRI	RMS	695	106	2.333	CWRI201001392	J	A	*	Z	2	
	5	CAA0	A0040253773207JXA	9GD	07-MAR-2010	FY9825	W81LYE	SUU	OSN	171	15	2.977	CSUU201001223	J	A	*	Z	2	
	4	CAA0	A0040253773207JXB	9GD	07-MAR-2010	FY9825	W81LYE	SUU	OSN	102	15	2.977	CSUU201001223	J	A	*	Z	2	
	3	CAA0	A0040253773207JXC	9GD	07-MAR-2010	FY9825	W81LYE	SUU	OSN	136	15	2.977	CSUU201001223	J	A	*	Z	2	
	1	CAA0	A0056457950351JXX		16-MAR-2010	FY9825	N00604	SUU	HIK	298	45	2.255	CSUU201001277	J	A	*	Z	2	
	69	CAA0	A0048590024867JXX		16-MAR-2010	FY9825	N00604	SUU	HIK	113	10	2.255	CSUU201001277	J	A		Z	2	
	64	CAA0	A0057022787031JXX		16-MAR-2010	FY1570	N00604	SUU		450	50	2.255	CSUU201001281	J	A	*	Z	1	
	56	CAA0	A0056000223445JXX		16-MAR-2010	FY7396	W81LYE			798	95	2.977	CSUU201001283	J	A	*	Z	1	
	55	CAA0	A0053114968197JXX		16-MAR-2010	W16JGF	W81LYE			125	14	2.977	CSUU201001283	J	A	*	Z	1	
	63	CAA0	A0043442989883JXX		16-MAR-2010														
	62	CAA0	A0048478906153JXX		16-MAR-2010														
	61	CAA0	A0029355729440JXX		16-MAR-2010														
	60	CAA0	A0049331860987JXX		16-MAR-2010														
	2	CAA0	A0043590967236JXX		16-MAR-2010														
	54	CAA0	A0054627183577JXX		16-MAR-2010														
	53	CAA0	A0019569984925JXX		16-MAR-2010														
	52	CAA0	A0026363064790JXX		16-MAR-2010														
	65	CAA0	A0047536869374JXX		16-MAR-2010														

Rows per Page: 20 Page 1 of 119

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Set as Default Page

Trusted sites | Protected Mode: Off

100%

Detailed Bill Information
- Transportation Data
- Search Within Fields

DCBS Live Screenshots – Bill Products

DCBS Application - Windows Internet Explorer

https://dcbs-prod.scott.af.mil/

DCBS — DEAMS Component Billing System

View Bills
Bill #0203291

Welcome to DCBS, MATT NETEMEYER (CUSTOMER)

Profile | Customer Profile | Logout

Site menu Home

Billing Menu View Bills

General Bill Information | Detail View | Collections | Adjustments | Pending Adjustments | Download Bill

1080 View

Detail View

CARGO Detail PDF (popup)

Message from webpage

An email has been sent to you containing the Excel spreadsheet you requested.

OK

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Hard Copy Bills
- Acrobat PDF
- MS Excel via E-Mail

DetailView_0203291 [Compatibility Mode] - Microsoft Excel

Bill Number 0203291

FY	TAC	TCN	Proj. CD	Service Date	Consignor/ee	APOE	APOD	Wt	Vol	Rate	Manifest Date	CC	DC	CI	SH	TP	Amount
201	CAA0	A002165407011 2JXX	9GD	11-FEB-2010	W33FRS/W81LYE	SUU	OSN	726	90	2.977	CSUU201001038J	A	•	Z	2	2	$2,679.00
201	CAA0	A002655373563 5JXX	880	16-FEB-2010	Z47500/W81LYE	SUU	OSN	1,000	112	2.977	CSUU201001069J	A	•	Z	2	2	$3,334.00
201	CAA0	A003900009430 JXX	9GJ	03-MAR-2010	FY7396/W91QTH	WRI	RMS	695	106	2.333	CWRI201001392J	A	•	Z	2	2	$2,473.00
201	CAA0	A004025377320 7JXA	9GD	07-MAR-2010	FY9825/W81LYE	SUU	OSN	171	15	2.977	CSUU201001223J	A	•	Z	2	2	$446.67
201	CAA0	A004025377320 7JXB	9GD	07-MAR-2010	FY9825/W81LYE	SUU	OSN	102	15	2.977	CSUU201001223J	A	•	Z	2	2	$446.67
201	CAA0	A004025377320 7JXC	9GD	07-MAR-2010	FY9825/W81LYE	SUU	OSN	136	15	2.977	CSUU201001223J	A	•	Z	2	2	$446.66
201	CAA0	A005645795035 1JXX		16-MAR-2010	FY9825/N00604	SUU	HIK	298	45	2.255	CSUU201001277J	A	•	Z	2	2	$1,015.00
201	CAA0	A004859002486 7JXX		16-MAR-2010	FY9825/N00604	SUU	HIK	113	10	2.255	CSUU201001277J	A		Z	2	2	$255.00
201	CAA0	A005702278703 1JXX		16-MAR-2010	FY1570/N00604	SUU	HIK	450	50	2.255	CSUU201001281J	A	•	Z	1	1	$1,128.00
201	CAA0	A005060022344 5JXX		16-MAR-2010	FY7396/W81LYE	SUU	OSN	798	95	2.977	CSUU201001283J	A	•	Z	1	1	$2,828.00
201	CAA0	A005311496819 7JXX		16-MAR-2010	W16JGF/W81LYE	SUU	OSN	125	14	2.977	CSUU201001283J	A	•	Z	1	1	$417.00
201	CAA0	A004344298988 3JXX		16-MAR-2010	W45QRE/W81LYE	SUU	OSN	165	20	2.977	CSUU201001283J	A	•	Z	1	1	$595.00
201	CAA0	A004847890615 3JXX		16-MAR-2010	FY9825/W81LYE	SUU	OSN	79	10	2.977	CSUU201001283J	A	•	Z	1	1	$298.00
201	CAA0	A002935572944 0JXX		16-MAR-2010	N00210/W81LYE	SUU	OSN	[illegible]	17	2.977	CSUU201001283J	A	•	Z	2	2	$506.00
201	CAA0	A004933186098 7JXX		16-MAR-2010	N00210/W81LYE	SUU	OSN	[illegible]	16	2.977	CSUU201001283J	A	•	Z	2	2	$476.00
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201	CAA0	A001956998492 5JXX		16-MAR-2010	M00681/W91QTH	WRI	[illegible]	[illegible]	96	2.333	CWRI201001505J	A	•	Z	1	1	$2,240.00
201	CAA0	A002636306479 0JXX		16-MAR-2010	FY1570/[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
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201	CAA0	A005457083263 5JXA		17-MAR-2010	FY98[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
201	CAA0	A005457083263 5JXB		17-MAR-2010	FY98[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
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201	CAA0	A006260013638 3BXX		17-MAR-2010	FY44[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
201	CAA0	A005521213536 3JXX		18-MAR-2010	W73[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
201	CAA0	A005358995405 5JXX		18-MAR-2010	W73[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
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Detail View - Bill Info | Channel Cargo

Detailed Bill Information
- MS Excel Format Allows Customer to Sort/Filter as Desired

DCBS Live Screenshots – Management Dash

DCBS DEAMS Component Billing System

System Use

Welcome to DCBS, STEVE URICK (SYSTEMS PERSONNEL)

Legacy | Profile | Customer Profile | Logout

Site menu: Home | Billing | Dashboard | Trans Support | Rule Maintenance | Data Mgmt | System Mgmt | Query

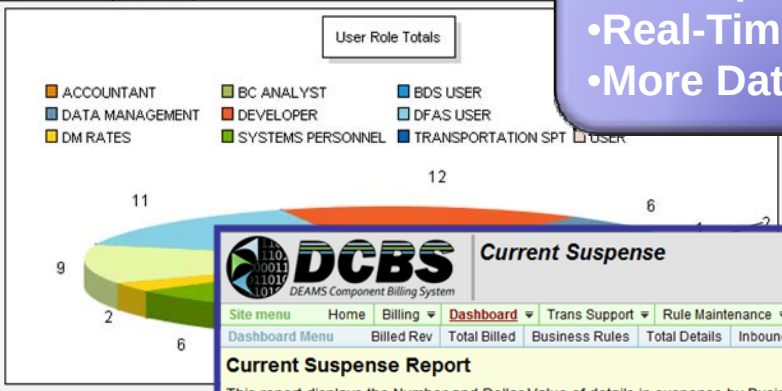
Dashboard Menu: Billed Rev | Total Billed | Business Rules | Total Details | Inbound Rejected | Current Suspense | Suspense Trend | TMO / Data Pro | System Use

System Use Report

This report displays the number of hits for the last 30 days and for the prior month.

30 Day Hit Counts | Prior Month Hit Counts | User Role Totals | Notes

Roles	Total
ACCOUNTANT	4
ACCT SUPERVISOR	0
BC ANALYST	2
BDS USER	2
BILLING	0
CUSTOMER	1
DATA MANAGEMENT	6
DEVELOPER	12
DFAS CUSTOMER	0
DFAS USER	11
DM CHANNEL	9
DM RATES	2
MGT DASHBOARD CLIENT	0
RATE MGT PERSONNEL	0
SYSTEMS PERSONNEL	6
TRANSPORTATION SPT	13
USER	7
	75



Management Dashboard
- Nine Specific Areas Available
- Real-Time Query
- More Data to Come…

DCBS DEAMS Component Billing System

Current Suspense

Welcome to DCBS, STEVE URICK (SYSTEMS PERSONNEL)

Legacy | Profile | Customer Profile | Logout

Site menu: Home | Billing | Dashboard | Trans Support | Rule Maintenance | Data Mgmt | System Mgmt | Query

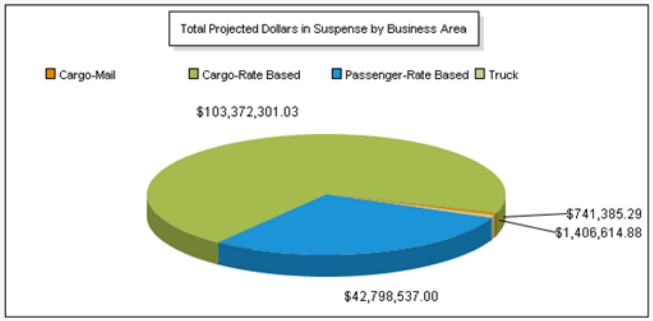
Dashboard Menu: Billed Rev | Total Billed | Business Rules | Total Details | Inbound Rejected | Current Suspense | Suspense Trend | TMO / Data Pro | System Use

Current Suspense Report

This report displays the Number and Dollar Value of details in suspense by Business Area with Fiscal Year.

Suspense by Business Area | Suspense by Fiscal Year | Notes

FY	Business Area	Count	Amount
2007	Passenger-Rate Based	1,013	620,001.00
		1,013	$ 620,001.00
2008	Cargo-Rate Based	110	0.00
	Passenger-Rate Based	3,295	2,818,250.00
		3,405	$ 2,818,250.00
2009	Cargo-Mail	15	0.00
	Cargo-Rate Based	799	52,007.00
	Passenger-Rate Based	14,199	9,607,820.00
	Truck	1	0.00
		15,014	$ 9,659,827.00
2010	Cargo-Mail	2,814	741,385.29
	Cargo-Rate Based	40,655	103,320,294.03
	Passenger-Rate Based	156,750	29,752,466.00
	Truck	1,720	1,406,614.88
		201,939	$ 135,220,760.20
	Total	221,371	$ 148,318,838.20

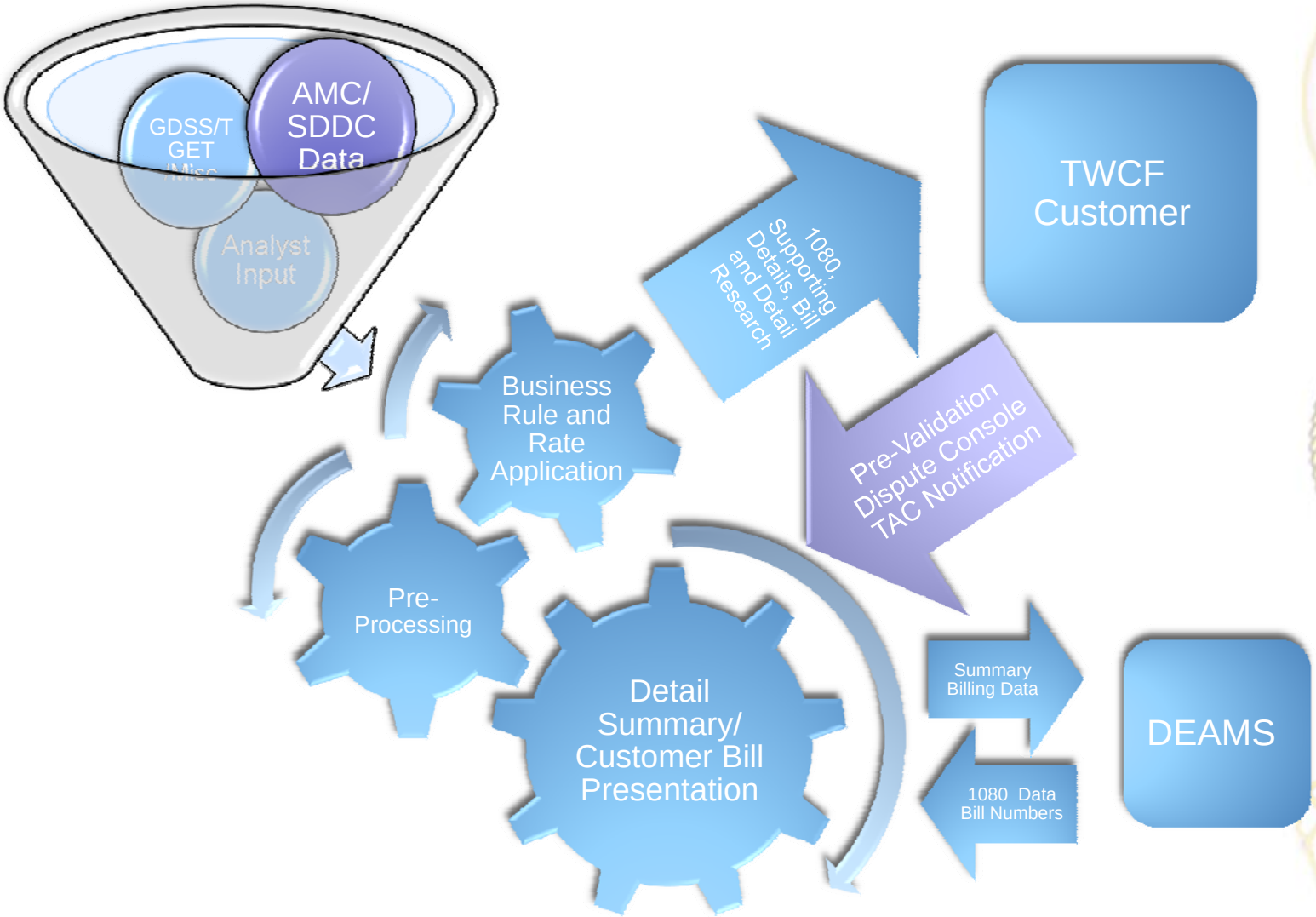


Management Dashboard
- System Use
- User Role Totals
- Total Billed
- Current Suspense…

Future DCBS Customer Initiatives

- Pre-Validation
  - Provides the TWCF Customer with the Capability to Review/Question Details in Advance of Billing
  - Process will Increase Billing Accuracy/Decrease Disputes
  - ETA = Oct ‘10 - March ‘11
- Disputed Console
  - Customer Capability to Submit and Monitor Disputes Online
  - Entire Process Automated End-to-End
  - ETA = Oct ‘10 - March ‘11
- TAC Use Notification
  - Customer Ability to Sign Up for E-Mail Notice
  - Summary Report of Daily TAC Usage by Customer Provided After Daily Batch Processing (Normally w/in 24hrs of Lift)
  - ETA = July ‘11

Future DCBS Environment



Summary

- DCBS Description
- Current DCBS Status
- Future DCBS Customer Service Initiatives
- Please contact Matt Netemeyer, DSN 779-2336, matt.netemeyer@amc.af.mil with any DCBS Questions.

DEFENSE LOGISTICS AGENCY

AMERICA'S COMBAT LOGISTICS SUPPORT AGENCY

Financial Billing Mode Code (FBMC) Reengineering & TAC Edits

Richard Morrow

10/13/2010

Purpose of a FBMC

- For financial management purposes, FACTS categorizes transportation account code (TAC) costs into billing modes. A FACTS billing mode classifies transportation costs based on movement (e.g., AMC costs), routing (e.g, Inland costs), handling (e.g., SDDC port handling costs), special program costs (e.g., VREP), or miscellaneous costs (e.g., Other). A TAC must be assigned to one or more of the billing modes listed in the table below and may be valid for several billing modes.

Source – FACTS Users Manual, Appendix M, JUN 2008

FBMC Chart

Billing Mode Code	Short Name	Description
1	INLAND	Inland: Bills of Lading
2	VREP	Vendor Receipt and Expediting Program (V-REP)
3	AMC	Air Mobility Command (AMC)
4	MSC	Military Sealift Command (MSC)
5	SDDC	Surface Deployment and Distribution Command (SDDC) Port Handling
6	NAVOTH	Other: FACTS PMO Only (Not for Service Use) (See note below)
7	OTHER	Other/Miscellaneous (See note below)
8	COMAIR	Inland: Commercial Air (Air Force Only)
9	COMSUR	Inland: Commercial Surface (Air Force Only)
M	OCSDDC	SDDC: Ocean liner
S	SAAMS	Special Assignment Airlift (SAAMS)
P	GLBPOV	Global POV
W	WWX	Worldwide Express (WWX)
F	AIRFWW	Air Freight Worldwide

Source – FACTS Users Manual, Appendix M, JUN 2008

FBMC Notes

- Billing mode 6 (FACTS PMO, not for Service use) is used by the FACTS PMO to load non-Service TACs on the FACTS TAC table (e.g., Homeland Security and other government agencies) so these TACs will validate during the ATCMD edit process. Billing mode 6 is valid for air movement.

- Billing mode 7 (Other/Miscellaneous) is available for Services to use as required, for example, on manual bills. Billing mode 7 will not validate for air movement.

Source – FACTS Users Manual, Appendix M, JUN 2008

FBMC Usage Chart

FBMC		# of TAC Entries
1	Inland: Bills of Lading	6857
2	Vendor Receipt and Expediting Program (VREP)	0
3	Air Mobility Command (AMC)	6831
4	Military Sealift Command (MSC)	3077
5	Surface Deployment and Distribution Command (SDDC) Port Handling	6780
6	Other: FACTS PMO Only (Not for Service Use)	76
7	Other/Miscellaneous	3526
8	Inland: Commercial Air (Air Force Only)	1
9	Inland: Commercial Surface (Air Force Only)	1
M	SDDC: Ocean liner	6779
S	Special Assignment Airlift Mission (SAAMS)	2586
P	Global POV	1999
W	Worldwide Express (WWX)	6557
F	Air Freight Worldwide	6557
Grand Total		51627

Source – TGET Download, 13 OCT 2010

FBMC Definition & Genesis

- Not defined or referenced in the DTR or the FMR. As a result, it effectively does not exist in the principle documents that govern transportation financial and operations management.

- FBMC was created by the FACTS PMO to satisfy a Navy unique financial requirement.

- This unique requirement has forced multiple other systems to develop unique and costly programming to accommodate these requirements.
  - TGET, CAB, DEAMS,

What FBMCs have become…

- Creates confusion for transportation personnel.
  - TGET lists a separate entry for each FBMC, which confuses TOs.
- Subsequently adopted and fully implemented by the Army (e.g. multiple LOAs to a single TAC).
  - Claims it is necessary for Congressional reporting requirements
- Required for air clearance.
  - Classic example of using a data field for something other than it's original intended purpose.
- Required for SDDC CAB Billing – SDDC prefers to not use.

FBMC Bottom Line

- FBMCs represent an administrative and operational burden to organizations that do not use them, and has increased system complexity and cost for multiple IT systems.
- Some of the negatives can and should be mitigated.
- Other potential positives can and should be capitalized upon.

TAC Edits

- None of the major shipping systems have an automated mechanism by which to select/validate TACs.
  - DSS TAC table is manually updated by DLA Distribution.
  - VSM TAC table is manually updated by DLA Distribution.
  - GFM TAC table is maintained by TOs.
  - CMOS TAC table is maintained by TOs.
  - GATES TAC table is fed by TRDM, which is fed by TGET.
    - Does not validate whether a TAC is authorized for air movement.
  - IBS TAC table is manually updated by SDDC.

TAC Edits Bottom Line

- Current process is prone to error. Particularly at TOs that maintain their own TAC tables.
  - TOs frequently do not delete old TACs from tables.
  - Bad TACs cause costly manual corrections.
  - Value-added intermediaries have some means by which to validate and check for appropriateness but business rules have not been implemented across the board.

Way ahead

- Create new, or use existing, FBMCs to cover multiple FBMCs.
  - Non-FBMC organizations could have only one TGET entry per TAC.
  - One FBMC for use only on surface modes (e.g. 4, 5, M, and P).
    - CAB has an agreement with the Air Force to use 7 for 5, M, and P.
  - One FBMC for use on all modes and can be used for ACA processing.

- Need to develop mechanism(s) by which shipper systems perform upfront TAC edits.
  - Manual (centrally controlled) and/or automated.
  - Validation and correctness of use – FBMC could play positive role.
  - Investigate routing of Army and Navy transactions to FACTS and all other transactions to Tracker Lite for processing, regardless of the shipper system used.

Forward Stocking

FY10 DLA and USTC Billing Data

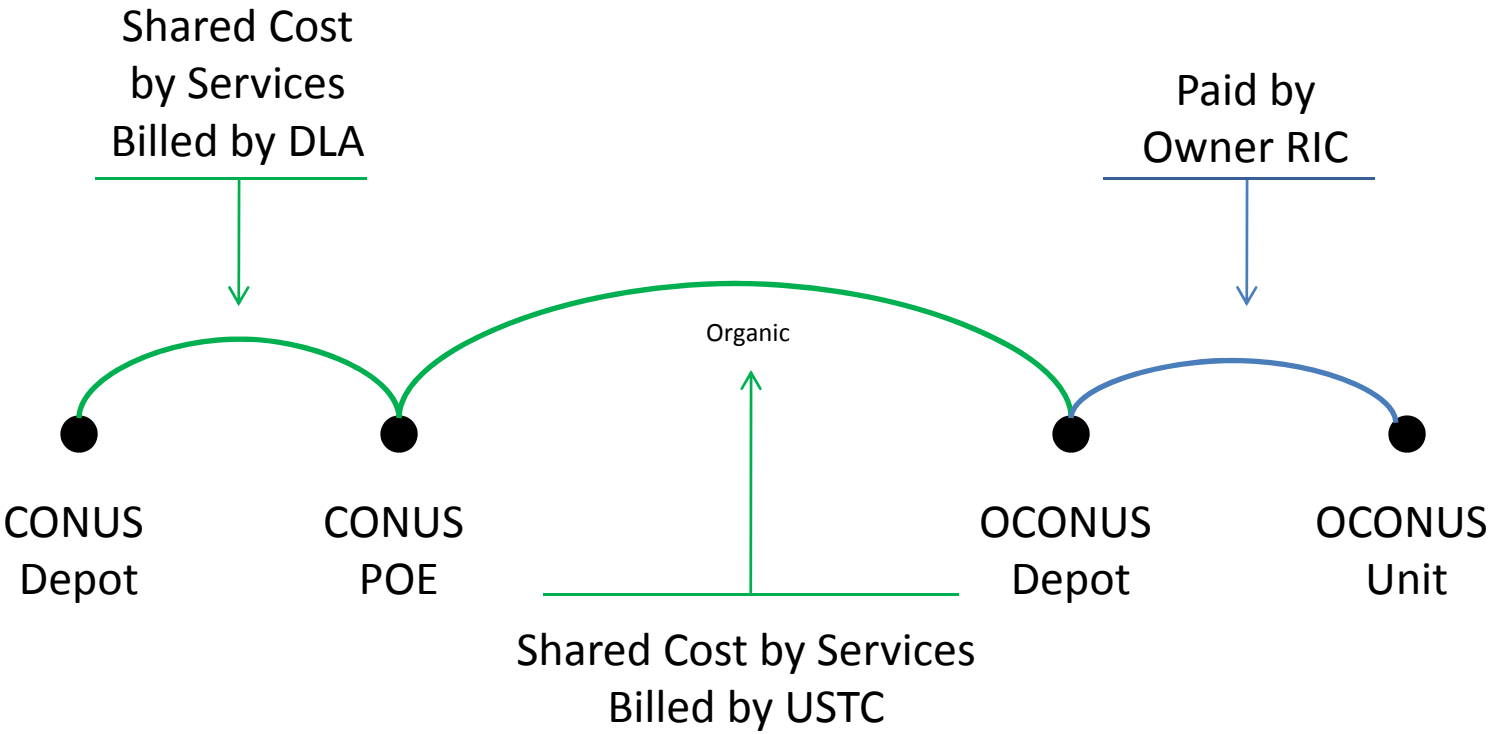
HQMC/I&L/LPD-4
SDT
OCT-2010

Forward Stocking

- BLUF: Data discrepancies in the Forward Stocking bills cause inaccurate charges to be billed to the Services

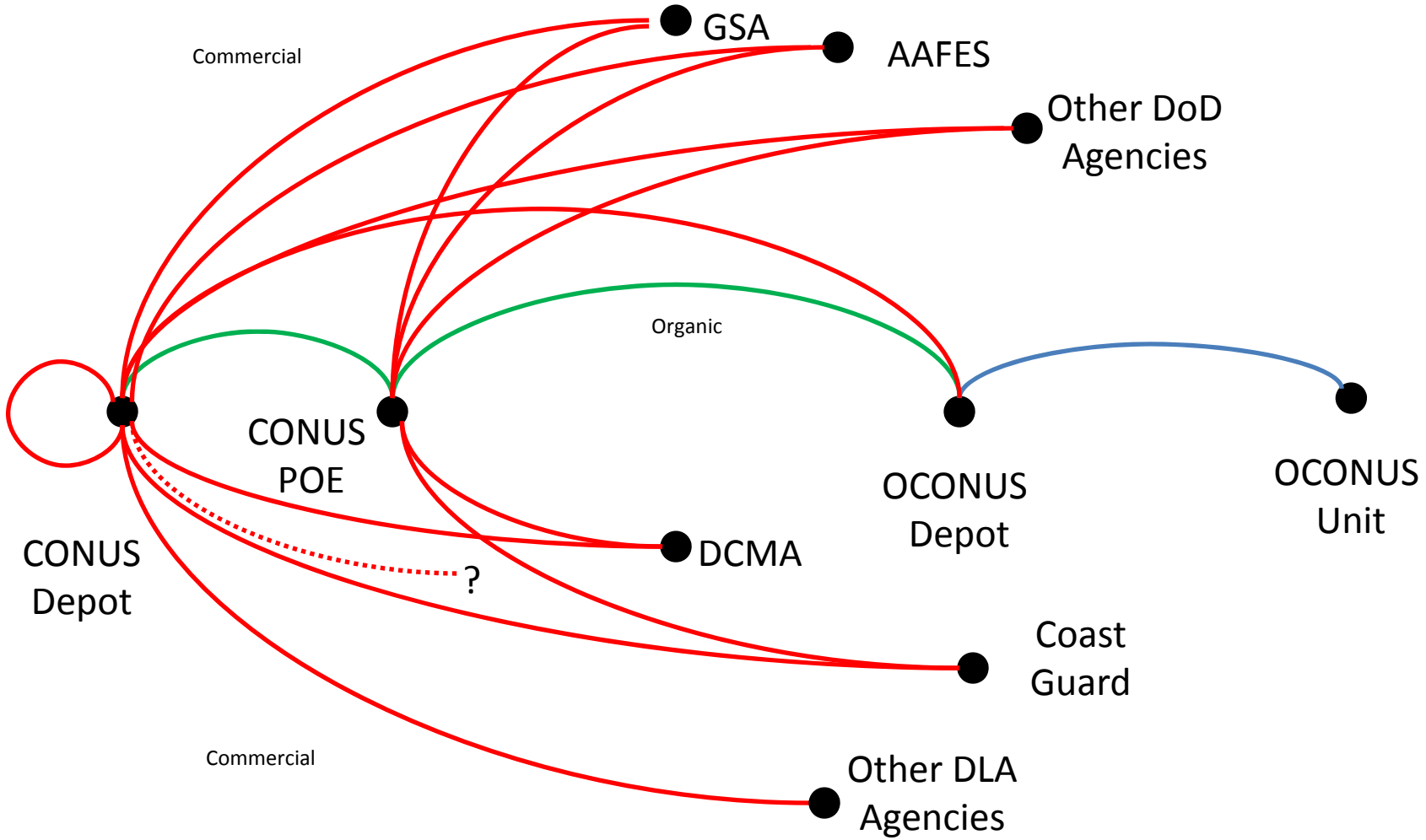
- Prepositioning of items from CONUS DLA Depots to OCONUS DLA Depots
- Right product at the Right location to the Right customer at the Right time for the Right price
  - Reducing wait time for the Unit
  - Reducing transportation funding requirements
  - Optimizing requisition fill rate
  - Optimizing supply chain costs
    - Inventory Costs + Transportation Costs = Optimal Price

Billing Assumptions



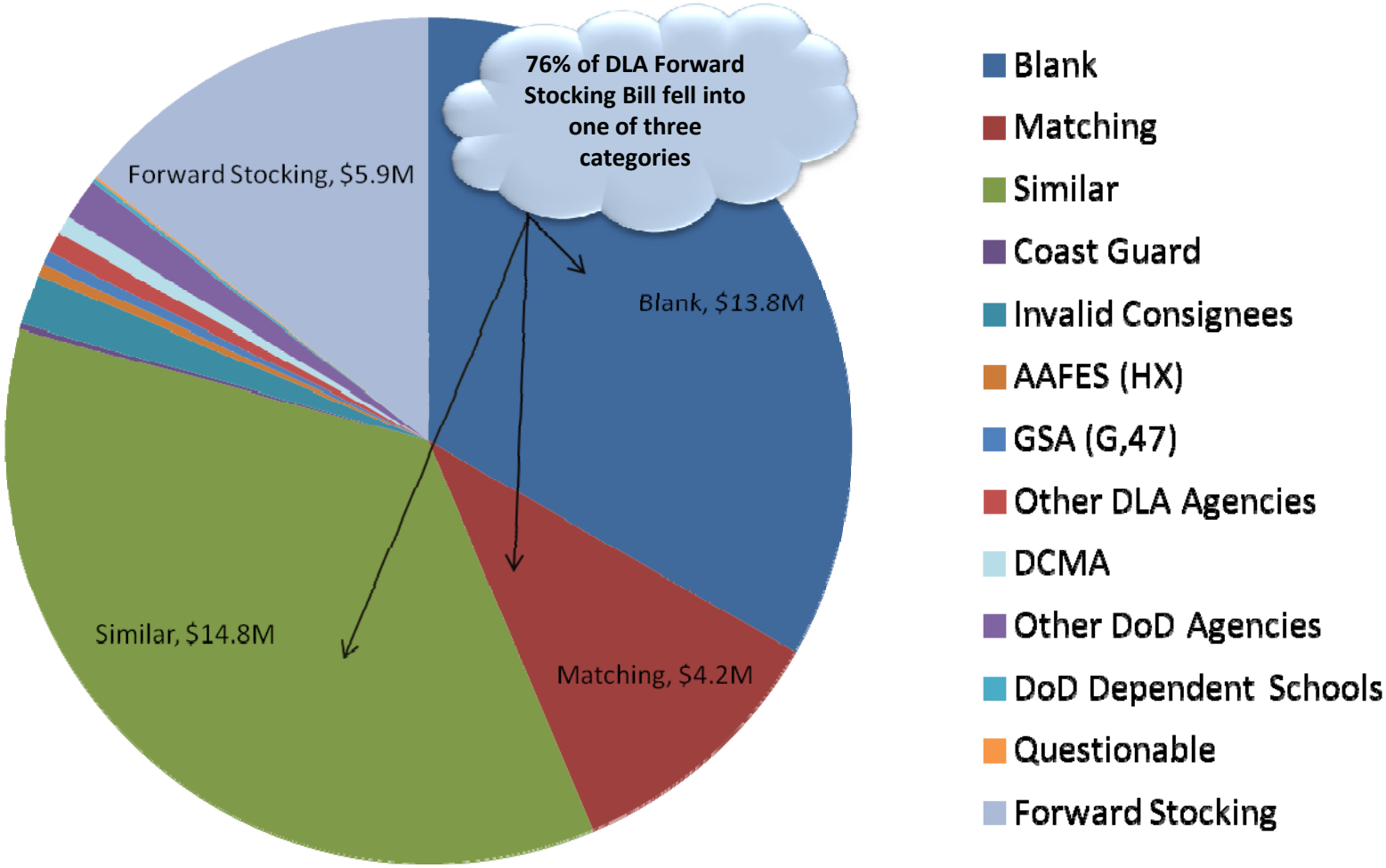
No known DoD regulations that dictate which transportation costs should be shared among the Services.

Actual Billing



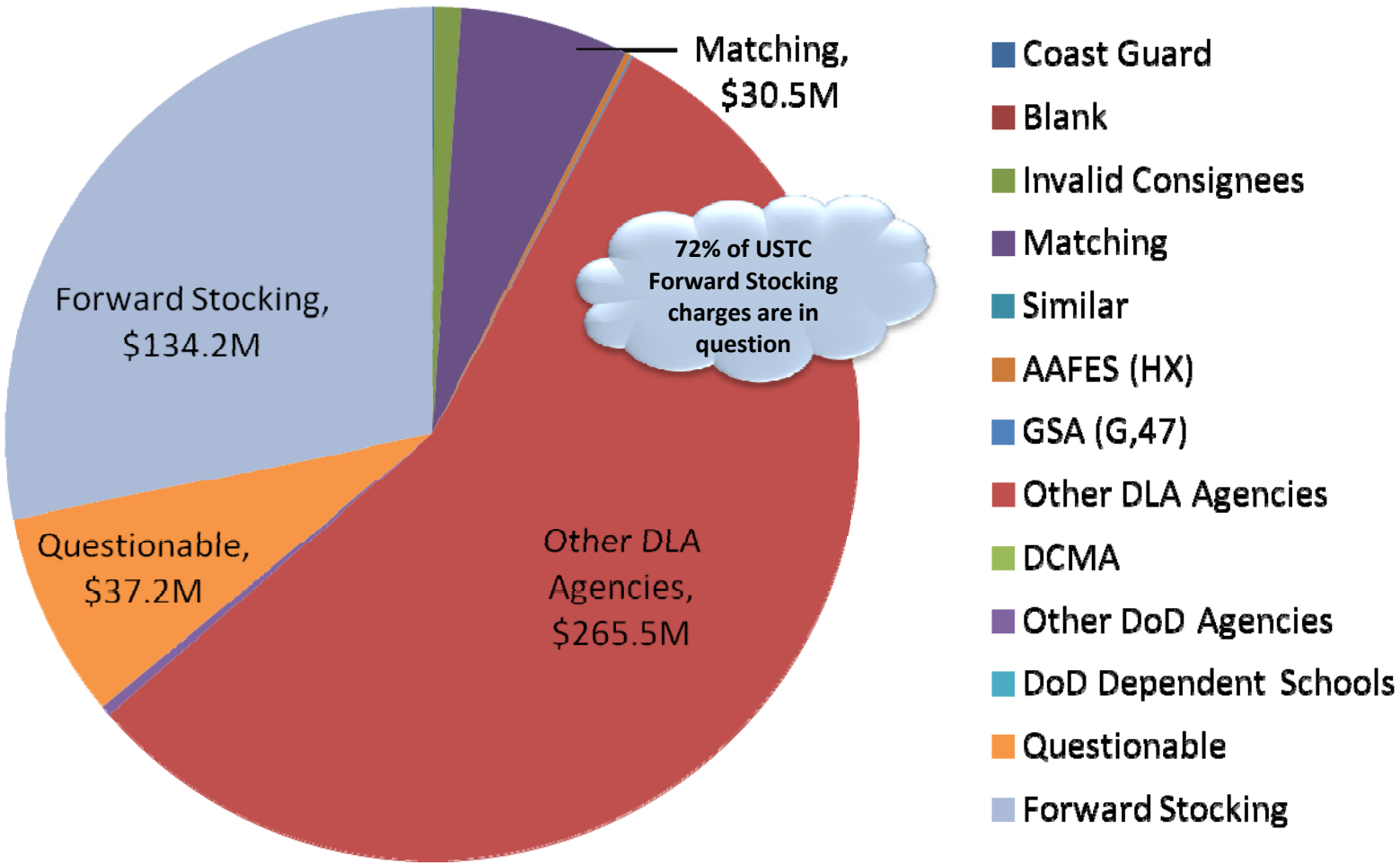
DLA Forward Stocking Bill

FY10 DoD-wide $43M



USTC Forward Stocking Bill

FY10 DoD-wide $476M



Forward Stocking Bill

Findings:

- Shipments that can not be identified to a Service by the Consignee are billed as Forward Stocking
- Service's are paying for shipments that are being shipped to other DoD and non-DoD customers, artificially inflating the Forward Stocking bill

  which in turn,
- Creates an inaccurate calculation of the percentage breakout to each Service

Recommendations:

- Implement quality controls that would prevent charges with inaccurate/missing data from being billed to the Services until corrected
- Develop an agreement that states which transportation costs should be shared among the Services, if not already in place
- Send the known non-Forward Stocking charges to the appropriate bill payer

Categories

Category	Description
Blank	No TCN or Consignee
Matching	Consignee and Consignor DoDAAC are the same
Similar	Consignee and Consignor DoDAAC have the same/similar TAC 2 Address
Coast Guard	Consignees that begin with Z
Invalid Consignees	Consignees not listed in the DAAS
AAFES (HX)	Consignees beginning with HX
GSA (G,47)	Consignees beginning with G or 47, including GSA Advantage Customers (GY/GZ)
Other DLA Agencies	Consignees beginning with 'S' or 'U' but not a depot, excluding DCMA
DCMA	Consignees are designated as DCMA
Other DoD Agencies	Consignees beginning with H, 0, 7. Excludes the DoD Dependent Schools and AAFES
DoD Dependent Schools	Consignees beginning with HE
Questionable	TCNs designates a DoDAAC that is not the Consignor/Consignee

DLA Forward Stocking

Oct-Jul

Category	Amount
Similar	$ 14,794,979.18
Blank	$ 13,850,567.85
Matching	$ 4,284,720.30
Invalid Consignees	$ 808,586.83
Other DoD Agencies	$ 658,077.81
Other DLA Agencies	$ 329,495.83
DCMA	$ 294,436.85
GSA (G,47)	$ 207,884.07
AAFES (HX)	$ 183,626.12
Coast Guard	$ 90,647.70
DoD Dependent Schools	$ 68,105.86
Questionable	$ 37,433.28

USTC Forward Stocking

Oct-Sept

Category	Amount
Other DLA Agencies	$ 265,499,563.38
Questionable	$ 37,232,186.54
Matching	$ 30,479,062.13
Invalid Consignees	$ 4,796,423.27
Other DoD Agencies	$ 1,843,813.00
AAFES (HX)	$ 1,102,620.25
Coast Guard	$ 419,363.20
GSA (G, 47)	$ 361,418.66
DoD Dependent Schools	$ 14,587.32
DCMA	$ 134.00
Similar	$ -
Blank	$ -

OCT-2010

HQMC
SECOND DESTINATION TRANSPORTATION (SDT)
TRANSPORTATION OF THINGS (ToT) PROGRAM

HQMC SDT TAC Program

First Destination Transportation (FDT)
Second Destination Transportation (SDT)

- **<u>Agenda</u>**

1. Background
2. Current definition of FDT
3. Proposed Initiatives
   A. Renaming
   B. Assembly
   C. Over Ocean Transportation (OOT)
4. Proposed new definition of FDT/SDT

First Destination Transportation (FDT)
Second Destination Transportation (SDT)

- **<u>Background</u>**

- The current FDT and SDT naming convention and terminology have proven inconsistent, outdated and misleading.

- Marine Corps proposes all DoD Agencies work together to redefine these two categories of transportation funding to better define the provisions of each definition.

First Destination Transportation (FDT)
Second Destination Transportation (SDT)

- **<u>Current FDT:</u>**

- **First Destination Transportation (FDT)** is that transportation required to **deliver new, an upgraded model, or recapitalized production items from the manufacturer's plant or source of procurement to the first point of delivery** where the Military Service or Defense Agency takes possession and/or ownership of that item. The procurement source, as used herein, is any supplier outside the DoD supply system or any DoD industrial activity that fabricates new materiel. The procurement source or the first point of delivery may be in the Continental United States (CONUS) or overseas. **FDT is not applicable to components or items reworked by an industrial activity.** In the case where the Government accepts the production item at the manufacturer's plant or source of production and legally owns the item, FDT extends to the first point of delivery for either use or storage by the Military Service or Defense Agency. **For shipments destined to overseas locations that will enter the Defense Transportation System, FDT terminates at the port of embarkation (CONUS or overseas).**

Source: DODFMR, Volume 2A, Chapter 1 (August 2008)

First Destination Transportation (FDT)
Second Destination Transportation (SDT)

- **<u>Renaming FDT/SDT:</u>**

- First and Second Destination have proven difficult to distinguish in specific scenarios.
- Propose changing the naming structure for clarity.
  1. FDT → Procurement Freight Transportation
     - PFT is specifically for the initial MOVEMENT of newly PROCURED items.
  2. SDT→ General Freight Transportation:
     - GFT is for all subsequent MOVEMENT of items

First Destination Transportation (FDT)
Second Destination Transportation (SDT)

- **<u>The following initial delivery points should constitute the end of FDT MOVEMENT:</u>**

1. Assembly
2. Integration
3. Storage
4. DoD units/organization

First Destination Transportation (FDT)
Second Destination Transportation (SDT)

- **<u>Over Ocean Transportation (OOT):</u>**
- Port of Embarkation (CONUS or OCONUS) should NOT constitute an end of FDT MOVEMENT.

1. Hides the true cost of Acquisition and Procurement.
2. Is based on outdated concept of operations.
   a. Vendor → Port → DoD Asset → Port → Organization/Storage.

First Destination Transportation (FDT)
Second Destination Transportation (SDT)

- **<u>Proposed New Definition of FDT</u>**
- Procurement Freight Transportation (PFT), currently known as First Destination Transportation (FDT) is the transportation required for the INITIAL movement of newly acquired material or FREIGHT from an authorized PROCUREMENT SOURCE to the first point of government DELIVERY.

- The Procurement source or manufacturer, used herein, is any supplier outside the DoD supply system or any DoD industrial activity that fabricates new materiel.

- The first point of delivery is any facility, CONUS or overseas, where a government agency or military service takes physical possession and/or ownership of the item.

- This may include delivery to an integration , assembly points and/or receipt by an organization for intended use or storage.

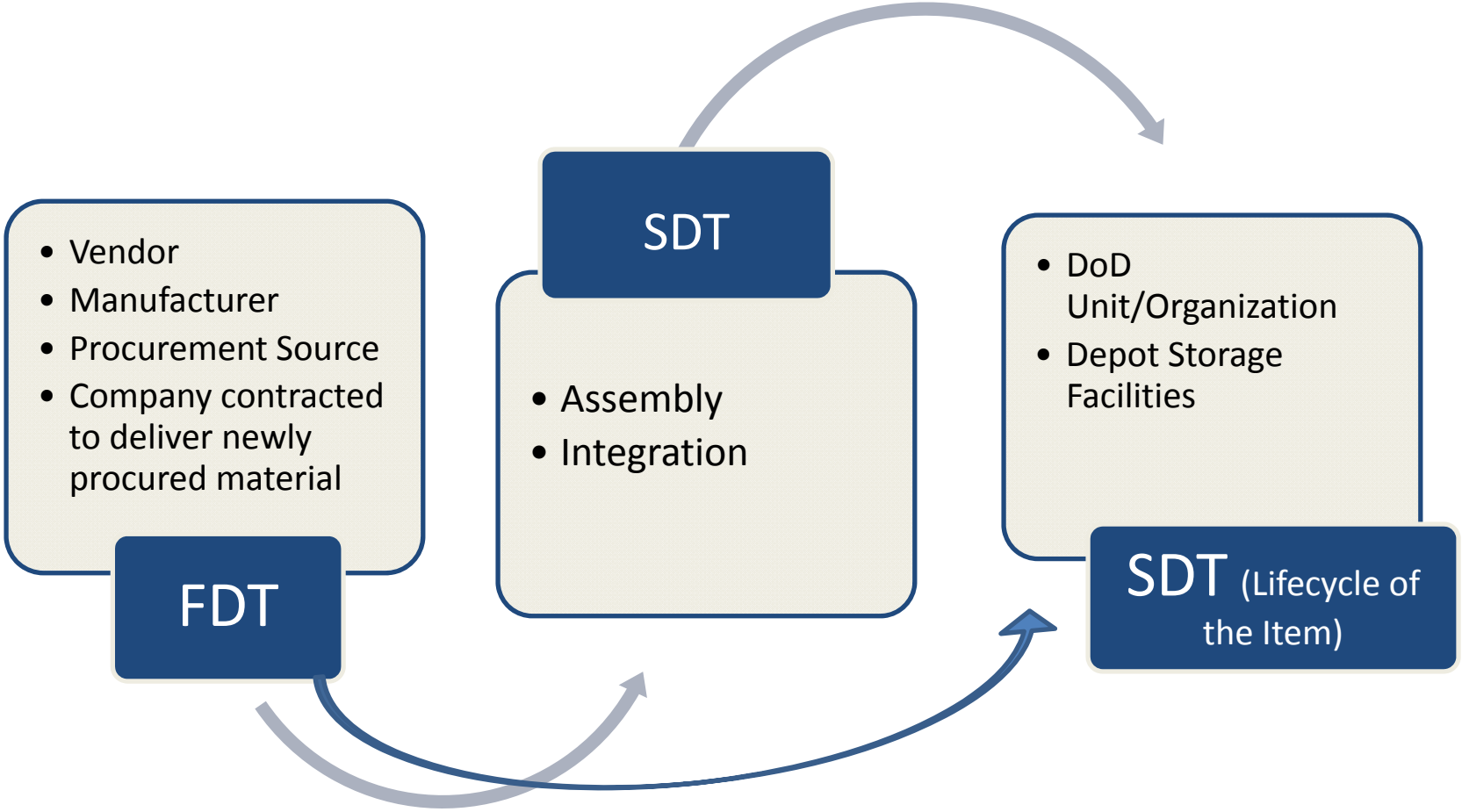
- Delivery to these points constitutes the end of FDT movement.

First Destination Transportation (FDT)
Second Destination Transportation (SDT)

- **<u>Proposed New Definition of SDT</u>**

- General Freight Transportation (GFT), currently known as Second Destination Transportation (SDT) is the transportation required to affect the movement of materiel from, to, or between service/agency activities worldwide.
- Once a government owned item has reached the first point of delivery, (CONUS or Overseas), an SDT TAC must be used for any subsequent movement for the remaining life cycle of the item.

First Destination Transportation (FDT)
Second Destination Transportation (SDT)



First Destination Transportation (FDT)
Second Destination Transportation (SDT)

QUESTIONS????

COMMENTS!!!

First Destination Transportation (FDT)
Second Destination Transportation (SDT)

Backup slides…. **(DEFINITIONS)**

- First Destination Transportation (FDT) is the transportation required to affect the delivery of materiel purchased through the acquisition process from a procurement source to the first point of delivery or storage.

- Second Destination Transportation (SDT) is the HQMC funded transportation required to affect movement of materiel from, to, or between service/agency activities worldwide. Once the cargo has reached the first point of use, storage or a port of embarkation (CONUS or Overseas), an SDT TAC would be used for any further onward movement for the remaining life cycle of the item.

Source: MCO 4610.37B (October 2010)

First Destination Transportation (FDT)
Second Destination Transportation (SDT)

Backup slides…. **(DEFINITIONS)**

- First Destination Transportation (FDT) - relates to the cost of moving materiel from the manufacturer to the first point of acceptance receipt or storage point by the Government. This represents a portion of a total system cost. FDT includes transportation costs for shipments which may be interrupted for test or modification before acceptance. When materiel is temporarily stored in a depot or other location pending completion of acceptance testing, the application of modifications, assembly, etc., for user readiness and receipt, it represents an interruption in the FDT movement and not an acceptance into the Army supply system. Subsequent transportation from the depot to the first acceptance point is integral to the major end item acquisition cost and is financed by the procurement appropriation which financed acquisition of the item.

Source: DFAS Manual 37-100-10 (August 2008)

First Destination Transportation (FDT)
Second Destination Transportation (SDT)

Backup slides…. **(DEFINITIONS)**

- FIRST DESTINATION TRANSPORTATION (FDT). FDT is used to deliver materiel from a procurement source outside the Department of Defense logistics system to the first point of use or storage for subsequent distribution within the Air Force logistics system. FDT is chargeable according to the Free on Board (FOB) terms of procurement. The FOB terms determine funding responsibility between the United States (US) Government and contractor.

- (1) FOB origin is a US Government responsibility. Procurement of assets with Operational and Maintenance (O&M) funds must fund the FDT with O&M type funds. When procuring assets using procurement appropriations, the procurement appropriation or O&M fund cite will be used to pay for shipping costs. The program office will set up a funding document to pay for the anticipated transportation charges. The preferred funding document to use is the Miscellaneous Obligation/Reimbursement Document (MORD). Once the MORD is established with a Line of Accounting (LOA) and Standard Document Number (SDN), the program office will ensure the contracting office receives the LOA and SDN so the contracting office can use the information to place on the contract (not as a contract obligation) to enable the transportation office to correctly charge the FDT costs. The transportation appropriation chargeable will be taken from DD Form 1653, Transportation Data for Solicitations, Figure V5-1, in the form of an LOA and SDN that will be included in Section G of FOB Origin contracts. Additional information regarding the above guidance and elimination of FDT TACs is posted on the AFMC LSO/LOL web site, Paragraph A.2.b.

- (2) FOB destination is a contractor's responsibility and the FDT is included in the price of the item.

Source: DTR US Air Force (June 2008):

First Destination Transportation (FDT)
Second Destination Transportation (SDT)

Backup slides…. **(DEFINITIONS)**

- FIRST DESTINATION TRANSPORTATION (FDT). FDT delivers material from a procurement source to the first point of use or storage. The procurement source and first point of use or storage may be in the Continental United States (CONUS) or overseas. The procurement source may be a supplier outside of the Department of Defense (DOD) supply system and a DOD activity, which fabricates new material. FDT also includes transportation from point of origin to point of use or storage when Navy-owned material or equipment is provided to a contractor incident to a Research and Development (R&D) project or a system/equipment acquisition or modification. FDT charges include those for freight cartage, CONUS port handling, and other transportation costs (except demurrage) incurred incident to the shipment of FDT materiel. FDT charges do not apply to components reworked by a Working Capital Fund (WCF) activity. Although packing services and other miscellaneous shipment preparation charges may be found in commercial carrier tariffs, tenders or schedules, only in transit charges may be paid with transportation funds. Preparation charges are chargeable to the vendor or shipping activity's funds. Destination charges are chargeable to the receiving activity's mission operating funds. Only CONUS port handling costs are paid with FDT funds. FDT TAC can be used when material changes mode of travel (e.g., Naples water freight terminal receives/unstuffs containers and transfers cargo to trucks for transit to permanent installations [such as Naval Support Activity at Sigonella] or vessel's homeport).

Source: DTR US Navy (June 2008):

First Destination Transportation (FDT)
Second Destination Transportation (SDT)

Backup slides…. **(DEFINITIONS)**

- **First Destination Transportation (FDT)** is that transportation required to deliver production items from the manufacturer's plant or source of procurement to the first point of delivery where the Military Service or Defense Agency takes possession and/or ownership of that item. The procurement source, as used herein, is any supplier outside the DoD supply system or any DoD industrial activity that fabricates new materiel. The procurement source or the first point of delivery may be in the Continental United States (CONUS) or overseas. FDT is not applicable to components or items reworked by an industrial activity. **In the case where the Government accepts the production item at the manufacturer's plant or source of production and legally owns the item, FDT extends to the first point of delivery for either use or storage by the Military Service or Defense Agency. For shipments destined to overseas locations that will enter the Defense Transportation System, FDT terminates at the port of embarkation (CONUS or overseas).**

Source: US Army Chief of Staff Brief (January 2006):

First Destination Transportation (FDT)
Second Destination Transportation (SDT)

Backup slides…. (FDT TACs)

TAC:	Purpose:	FM POC
L100	Marine Corps Systems Command (MARCORSYSCOM) Procurement, Marine Corps (PMC) (1109) TAC for MC materiel purchased with procurement account funds as directed by Directorate of Financial Management (DFM)	703-432-3764
LARM	Marine Corps Body Armor Shipments	
LMAR	Marine Corps Initial Issue material purchase Operation and Maintenance, Marine Corps Reserve (O&MMCR) fund	
LMAT	MARCORSYSCOM Initial Issue TAC for materiel purchased with O&M (1106) funds as directed by DFM	
LNGR	MARCORSYSCOM TAC for National Guard and Reserve Equipment Appropriation (NGREA) (0350) as directed by DFM	

First Destination Transportation (FDT)
Second Destination Transportation (SDT)

Backup slides…. **(FDT TACs continued)**

TAC:	Purpose:	FM POC
L200	MARCORSYSCOM Procurement of Ammunition, Navy and Marine Corps (PANMC) (1508) CONUS TAC Ammunition Shipments as directed by Program Manager, Ammunition (PM AM)	703-432-8787
L201	MARCORSYSCOM PANMC (1508) Interim Transportation TAC for Movement of ammo parts from the point of manufacture to point of assembly as directed by PM AM	
L202	MARCORSYSCOM PANMC (1508) OCONUS TAC for Ammunition Shipments as directed by PM AM	
L203	MARCORSYSCOM PANMC (1508) Supplemental TAC as directed by PM AM	